

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

2

W-02747A  
Los Cerros Water Co., Inc.  
4003 N. Flowing Wells Road  
Tucson, AZ 85705

**RECEIVED**

FEB 17 2006

**Arizona Corporation Commission**  
**Director of Utilities**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Los Cerros Water Co., Inc</u>			
<b>Mailing Address</b> <u>4003 N. Flowing Wells Road</u>			
<u>Tucson</u>	<u>(Street)</u>	<u>AZ</u>	<u>85705-2404</u>
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(520) 293-5500</u>	<u>(520) 293-3810</u>	<u>(520) 401-0102</u>	
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>	
<b>Email Address</b> <u>n/a</u>			
<b>Local Office Mailing Address</b> <u>4003 N. Flowing Wells Rd</u>			
<u>Tucson</u>	<u>(Street)</u>	<u>AZ</u>	<u>85705-2404</u>
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(520) 293-5500</u>	<u>(520) 293-3810</u>	<u>(520) 401-0102</u>	
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>	
<b>Email Address</b> <u>N/A</u>			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Jody R. Carlson</u>				<u>Secretary</u>	
<u>(Name)</u>				<u>(Title)</u>	
<u>4003 N Flowing Wells Rod</u>	<u>Tucson,</u>	<u>AZ</u>	<u>85705-2404</u>		
<u>(Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>		
<u>(520) 293-5500</u>	<u>(520) 293-3810</u>	<u>(520) 401-0102</u>			
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>			
<b>Email Address</b> <u>N/A</u>					
<b>On Site Manager:</b> <u>Alan R. Friedman, President</u>					
<u>(Name)</u>					
<u>4003 N. Flowing Wells Rd</u>	<u>Tucson,</u>	<u>AZ</u>	<u>85705-2404</u>		
<u>(Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>		
<u>(520) 293-5500</u>	<u>(520) 293-3810</u>	<u>(520) 907-2376</u>			
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>			
<b>Email Address</b> <u>N/A</u>					

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Richard Block

(Name)

1660 East River Rd

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

(520) 577-7575

Telephone No. (Include Area Code)

(520) 577-7599

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Richard Block

(Name)

1660 East River Rd

(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

(520) 577-7575

Telephone No. (Include Area Code)

(520) 577-7599

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct No	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	\$ -	\$ -	\$ -
303	Land and Land Rights	\$ 5,650	\$ -	\$ 5,650
304	Structures and Improvements	\$ 11,126	\$ 8,730	\$ 2,396
307	Wells and Springs	\$ 480,047	\$ 86,194	\$ 393,853
311	Pumping Equipment	\$ 127,723	\$ 104,733	\$ 22,990
320	Water Treatment Equipment	\$ 2,461	\$ 687	\$ 1,774
330	Distribution Reservoirs and Standpipes	\$ 55,578	\$ 52,492	\$ 3,086
331	Transmission and Distribution Mains	\$ 380,406	\$ 342,606	\$ 37,800
333	Services	\$ 117,111	\$ 62,822	\$ 54,289
334	Meters and Meter Installations	\$ 136,074	\$ 33,571	\$ 102,503
335	Hydrants	\$ 7,207	\$ 5,750	\$ 1,457
336	Backflow Prevention Devices	\$ -	\$ -	\$ -
339	Other Plant and Misc Equipment	\$ 2,750	\$ 714	\$ 2,036
340	Office Furniture and Equipment	\$ -	\$ -	\$ -
341	Transportation Equipment	\$ 16,525	\$ 6,607	\$ 9,918
343	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -
344	Laboratory Equipment	\$ -	\$ -	\$ -
345	Power Operated Equipment	\$ -	\$ -	\$ -
346	Communication Equipment	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	\$ 1,017	\$ 201	\$ 816
348	Other Tangible Plant	\$ -	\$ -	
	<b>TOTALS</b>	<b>\$ 1,343,675</b>	<b>\$ 705,107</b>	<b>\$ 638,568</b>

(AD) = This amount goes on the Balance Sheet Acct No 108

Company Name: Los Cerros Water Co., Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct No	Description	Original Cost (OC)	Depreciation Percentage -2	Depreciation Expense (1 x 2)
301	Organization	\$ -		\$ -
302	Franchises	\$ -		\$ -
303	Land and Land Rights	\$ 5,650		\$ -
304	Structures and Improvements	\$ 11,126	5%	\$ 556
307	Wells and Springs	\$ 480,047	5%	\$ 24,002
311	Pumping Equipment	\$ 127,723	5%	\$ 6,386
320	Water Treatment Equipment	\$ 2,461	5%	\$ 123
330	Distribution Reservoirs and Standpipes	\$ 55,578	5%	\$ 2,779
331	Transmission and Distribution Mains	\$ 380,406	5%	\$ 19,020
333	Services	\$ 117,111	5%	\$ 5,856
334	Meters and Meter Installations	\$ 136,074	5%	\$ 6,804
335	Hydrants	\$ 7,207	5%	\$ 360
336	Backflow Prevention Devices	\$ -	5%	\$ -
339	Other Plant and Misc Equipment	\$ 2,750	5%	\$ 138
340	Office Furniture and Equipment	\$ -	5%	\$ -
341	Transportation Equipment	\$ 16,525	5%	\$ 826
343	Tools, Shop and Garage Equipment	\$ -	5%	\$ -
344	Laboratory Equipment	\$ -	5%	\$ -
345	Power Operated Equipment	\$ -	5%	\$ -
346	Communication Equipment	\$ -	5%	\$ -
347	Miscellaneous Equipment	\$ 1,017	5%	\$ 51
348	Other Tangible Plant	\$ -	5%	\$ -
	<b>TOTALS</b>	<b>\$ 1,343,675</b>		<b>\$ 66,901</b>

Depreciation Expense = This amount goes on the Comparative Statement of Income and Expense Acct No. 403

Company Name: Los Cerros Water Co., Inc.

**BALANCE SHEET**

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$88,035	\$51,448
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$11,287	\$14,661
146	Notes/Receivable from Associated Companies		\$103
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	\$147	\$220
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$99,469</b>	<b>\$66,432</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$1,292,826	\$1,343,675
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(\$638,206)	(\$705,107)
121	Non-Utility Property		
122	Accumulated Depreciatin - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$654,620</b>	<b>\$638,568</b>
	<b>TOTAL ASSETS</b>	<b>\$754,089</b>	<b>\$705,000</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Los Cerros Water Co., Inc.

**BALANCE SHEET (CONTINUED)**

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$755	\$755
232	Notes Payable (Current Portion)		
234	Notes/Accts Payable to Associated Companies		
235	Customer Deposits	\$93,374	\$115,545
236	Accrued Taxes	\$1,567	\$2,266
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$95,696</b>	<b>\$118,566</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$0	\$0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$458,665	\$442,672
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$195,807	\$195,807
272	Less: Amortization of Contributions	(\$74,087)	(\$83,547)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$580,385</b>	<b>\$554,932</b>
	<b>TOTAL LIABILITIES</b>	<b>\$676,081</b>	<b>\$673,498</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value	\$ 99,352	\$ 103,550
215	Retained Earnings	\$ (121,344)	\$ (172,048)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 78,008</b>	<b>\$ 31,502</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 754,089</b>	<b>\$ 705,000</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>Prior Year</b>	<b>Current Year</b>
461	Metered Water Revenue	\$245,498	\$316,530
460	Unmetered Water Revenue	\$0	\$0
474	Other Water Revenues	\$11,066	\$12,637
	<b>TOTAL REVENUES</b>	<b>\$256,564</b>	<b>\$329,167</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$30,118	\$52,935
610	Purchased Water	\$0	\$0
615	Purchased Power	\$14,880	\$26,871
618	Chemicals	\$152	\$92
620	Repairs and Maintenance	\$21,362	\$12,048
621	Office Supplies and Expense	\$7,604	\$5,875
630	Outside Services	\$20,688	\$25,052
635	Water Testing	\$1,700	\$3,295
641	Rents	\$689	\$510
650	Transportation Expenses	\$4,082	\$3,655
657	Insurance - General Liability	\$3,705	\$3,557
659	Insurance - Health and Life	\$0	\$0
666	Regulatory Commission Expense - Rate Case	\$0	\$0
675	Miscellaneous Expense	\$3,016	\$2,074
403	Depreciation Expense***	\$54,899	\$57,441
408	Taxes other Than Income	\$4,579	\$6,194
408.11	Property Taxes	\$14,626	\$15,885
409	Income Tax	\$-	\$-
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$182,100</b>	<b>\$215,484</b>
	<b>OPERATING INCOME (LOSS)</b>	<b>\$74,464</b>	<b>\$113,683</b>
	<b>OTHER INCOME (EXPENSE)</b>		
419	Interest and Dividend Income	\$161	\$272
421	Non-Utility Income	\$-	\$-
426	Miscellaneous Non-Utility Expenses	\$-	\$-
427	Interest Expense	\$(236)	\$(462)
	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>\$(75)</b>	<b>\$(190)</b>
	<b>NET INCOME (LOSS)</b>	<b>\$74,389</b>	<b>\$113,493</b>

<b>*** Depreciation</b>	\$64,359	66901
Less: A/A for CIAC	\$(9,460)	-9460
<b>Total</b>	<b>\$54,899</b>	<b>\$57,441</b>



COMPANY NAME: LOS CERROS WATER COMPANY, INC.

**SUPPLEMENTAL FINANCIAL DATA**

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$104,520.00

Meter Deposits Refunded During the Test Year \$11,809.00

Company Name: Los Cerros Water Co., Inc.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
Wilds 55-802342	30	250	518'	10"	3"	1971
Fiesta 55-805783	10	130	N/A	8"	3"	N/A
LDO 55-804734	30	400	396'	10"	3"	1974
Silver Buckle 55-591958	20	100	564'	12"	3"	2003

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (In thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	2	52	
10	2		
7.5 (Silver Buckle)	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
60000 (LDO)	1	5000 (Fiesta/Wilds)	2
375000 (Silver Buckle)	1	20000 (Swan/LDO)	2
		5000 (Silver Buckle)	1

Company Name: Los Cerros Water Co., Inc.

**Water Company Plant Description (Continued)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	7360
3	PVC	2395
4	PVC	24280
5		
6	PVC	28701
8	PVC	18532
10		
12	PVC	588

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	800
3/4	5
1	15
1 1/2	
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp 5	
Turbo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

LDO Chlorinator

Wilds Road Chlorinator

Chemical Pump

8 gpm Chemical Feed Pump

Siver Buckle Well - Plusatron Chemical Feed Pump (20 gal 3/8" Line)

**STRUCTURES:**

Existing Fences (Chainlink surrounding all 4 wells) Approx 29' x 20' area for each well site

Shed @ Wilds Road Well Site

Fence @ pumping stations

**OTHER:**

1998 Mazda 4 x 4 Truck

Company Name: Los Cerros Water Co., Inc.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	687	3505580	3681
FEBRUARY	725	3605219	3834
MARCH	773	3551631	3826
APRIL	773	5238073	5365
MAY	798	6501997	6731
JUNE	815	8548070	9112
JULY	818	9693140	10203
AUGUST	835	7502588	7998
SEPTEMBER	844	7416150	8080
OCTOBER	841	7558260	8276
NOVEMBER	848	7261410	7910
DECEMBER	849	5801762	6256
TOTAL		76183880	81272

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) YES                      ( ) NO

Does the Company have an ADWR Gallons Per Capital Per Day (GPCPD) Requirement?

( ) YES                      ( X ) NO

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system?  
(If more than one well, please list each separately.)

	mg/l
Wilds Road Well	<0.003
Fiesta Wells	<0.003
Lago Del Oro Well	<0.003
Silver Buckle Well	<0.005

**NOTE: If you are filling for more than one system, please provide separate data sheets for each system.**

**COMPANY NAME** Los Cerros Water Co., Inc. **YEAR ENDING 12/31/2005**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 15885.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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LOS CERROS WATER CO., INC.

Beth Ford

5559

Check Number: 5559

Check Date: Sep 26, 2005

Check Amount: \$59.46

Item to be Paid - Description

Discount Taken

Amount Paid

Taxes - Real Estate

59.46

PIMA COUNTY

## 2005 PROPERTY TAX STATEMENT

BOOK	STATE CODE # MAP	PARCEL	2005 1000 ASSESSED VALUE	2004 1000 ASSESSED VALUE	2004 \$ PER ACRE
222	40	043A0	1006	9.8243	6.0421

	2005 1000 ASSESSED VALUE	2004 1000 ASSESSED VALUE	2004 1000 ASSESSED VALUE	2004 1000 ASSESSED VALUE
500	25.0	125	125	125
500	25.0	125	125	125

	JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
PRIMARY PROPERTY TAX	12.28	5.09	5.09	0.00
LESS STATE AND EDUCATION	.00	.54	.57	.03-
NET PRIMARY PROPERTY TAX	12.28	5.28	5.64	.36-
SECONDARY PROPERTY TAX	7.54	1.37	1.39	.02-
TOTAL TAX DUE FOR 2005	19.82	.89	1.02	.13-
		2.75	2.28	.47
		.27	.29	.02-
		2.42	2.44	.02-
		.22	0.00	.22
		.15	.15	0.00
		.47	.44	.03
		.32	.27	.05
		.05	.05	0.00
TOTALS		19.82	19.63	.19

14970 N LAGO DEL ORO PW PC

CHAPARRAL ESTATES NO 2 LOT 43 EXC 818'

(WELLSITE) (RD 7981/350) TOTAL VALUE OF OPERATING

PROPERTY-TAXPAYER GROUP NO 168

(FORMER)

Y 203-78-1670)

## PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. The minimum acceptable payment is \$10 or 10% of the payment due, whichever is greater.

0011187 01 AV 0.278 \*\*AUTO T6 0 0781 85705-240403



LOS CERROS WATER CO INC  
ATTN: JODY ROGERS  
4003 N FLOWING WELLS RD  
TUCSON AZ 85705-2404

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check  
payable to

Beth Ford, Pima County Treasurer  
and mail to:

Beth Ford  
Pima County Treasurer  
PO Box 98765  
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR  
STATE CODE NUMBER  
ON YOUR CHECK.





STATE CODE #			PRIMARY TAX RATE		SECONDARY TAX RATE		IRRIGATION DISTRICT	
BOOK	MAP	PARCEL	\$100 ASSESSED VALUE		\$100 ASSESSED VALUE		\$ PER ACRE	
222	37	01306	1006		9.8243		6.0421	

	ASSESSED VALUE	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LAND	500	25.0	125		125
PERSONAL PROPERTY	500	25.0	125		125

		JURISDICTION	2004 TAXES	2004 TAXES	DIFFERENCE
PRIMARY PROPERTY TAX	12.28	PIMA COUNTY PRI	5.09	5.09	0.00
LESS STATE AID TO EDUCATION	.00	SCHOOL EQUAL.	.54	.57	.03-
NET PRIMARY PROPERTY TAX	12.28	AMPHI SCH#10 PRI	5.28	5.64	.36-
SECONDARY PROPERTY TAX	7.54	PIMA COLLEGE PRI	1.37	1.39	.02-
TOTAL TAX DUE FOR 2005	19.82	COUNTY BONDS SEC	.89	1.02	.13-
		AMPHI SCH#10 SEC	2.75	2.28	.47
		PIMA COLLEGE SEC	.27	.29	.02-
		GOLDER RN FD SEC	2.42	2.44	.02-
		GLDR RCH FD BOND	.22	0.00	.22
		CEN ARIZ WTR SEC	.15	.15	0.00
		PIMA CO FLD SEC	.47	.44	.03
		LIBRARY DISTRICT	.32	.27	.05
		FIRE DIST ASSIST	.05	.05	0.00
		TOTALS	19.82	19.63	.19

WELL SITE LYQ IN SW COR OF E2 N2 SE4 SW4 SW4

.08 AC SEC 15-11-14 (FAMILY 203-78-0000 A

203-78-2040) TOTAL VALUE OF OPERATING PROPERTY-

TAXPAYER GROUP NO 188

(FORMERL

Y 203-78-3440)

## PAYMENT INSTRUCTIONS

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0011186 01 AV 0.278 \*\*AUTO T6 0 0781 85705-240403

LOS CERROS WATER CO INC  
ATTN: JODY ROGERS  
4003 N FLOWING WELLS RD  
TUCSON AZ 85705-2404

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

## Please make your check

## payable to

Beth Ford, Pima County Treasurer  
and mail to:

Beth Ford  
Pima County Treasurer  
PO Box 98765  
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR  
STATE CODE NUMBER  
ON YOUR CHECK.

LOS CERROS WATER CO., INC.

Beth Ford

Check Number: 5560  
Check Date: Sep 26, 2005

5560

Item to be Paid - Description

Taxes - Real Estate

Check Amount: \$7,912.75  
Discount Taken      Amount Paid

7,912.75

LOS CERROS WATER CO., INC.

Beth Ford

Check Number: 5649  
Check Date: Dec 1, 2005

5649

Item to be Paid - Description

Taxes - Real Estate

Check Amount: \$7,912.75  
Discount Taken      Amount Paid

7,912.75

## PIMA COUNTY

## 2005 PROPERTY TAX STATEMENT

ARIZONA

BOOK	STATE CODE # MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
916	81	00601	1006	9.8243	6.0421	

	VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE
LIMITED	4,796	25.0	1,199		1,199
FULL CASH	4,796	25.0	1,199		1,199
PERSONAL PROPERTY	403,704	25.0	100,926		100,926

		JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
PRIMARY PROPERTY TAX	10,033.07	PIMA COUNTY PRI	4,158.53	3,863.30	295.23
		SCHOOL EQUAL.	445.06	432.64	12.42
LESS STATE AID TO EDUCATION	.00	AMPHI SCH#10 PRI	4,313.25	4,279.91	33.34
		PIMA COLLEGE PRI	1,116.23	1,057.19	59.04
NET PRIMARY PROPERTY TAX	10,033.07	COUNTY BONDS SEC	730.19	773.23	43.04
		AMPHI SCH#10 SEC	2,249.10	1,732.80	516.30
SECONDARY PROPERTY TAX	5,792.42	PIMA COLLEGE SEC	223.04	216.79	6.25
		GOLDER RN FD SEC	1,971.02	1,850.06	120.96
TOTAL TAX DUE FOR 2005	15,825.49	GLDR RCH FD BOND	186.17	0.00	186.17
		CEN ARIZ WTR SEC	122.55	113.85	8.70
		PIMA CO FLD SEC	4.49	5.18	.69
		LIBRARY DISTRICT	262.97	201.51	61.46
		FIRE DIST ASSIST	42.89	40.51	2.38
TOTALS			15,825.49	14,566.97	1,258.52

TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER

GROUP NO 168

## PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. The minimum acceptable payment is \$10 or 10% of the payment due, whichever is greater.

0014689 01 AV 0.278 \*\*AUTO T9 0 0781 85705-240403



LOS CERROS WATER CO INC  
JODY ROGERS  
4003 N FLOWING WELLS ROAD  
TUCSON AZ 85705-2404

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check  
payable to  
Beth Ford, Pima County Treasurer  
and mail to:

Beth Ford  
Pima County Treasurer  
PO Box 98765  
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR  
STATE CODE NUMBER  
ON YOUR CHECK.

\*111310346\*

12/06/2005

864336052

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

500290/21 12/06/2005 864336052

<b>LOS CERROS WATER CO., INC.</b> 4003 N. FLOWING WELLS ROAD TUCSON, AZ 85708-2404 (520) 293-5500		<b>Bank of America</b> 81-179/1221	<b>5649</b>
PAY <b>Seven Thousand Nine Hundred Twelve and 75/100 Dollars</b>		AMOUNT <b>Dec 1, 2005 ***\$7,912.75</b>	
TO THE ORDER OF	Beth Ford Pima County Treasurer PO Box 98765 Phoenix, AZ 85038-0765 916 81 00601		
<i>Jody Carlson</i>			

⑈005649⑈ ⑆122101706⑆.000235513283⑈

⑈005649⑈ ⑆122101706⑆.000235513283⑈

⑈0000791275⑈

BANK OF AMERICA, NA LAC  
122000661 E4312 90 23  
12/07/05

6760580419

BANK OF AMERICA, NA TPE  
122101706 E2507 01 P01  
12/07/05

3250581719

VS BANK OF AMERICA, NA DAL  
P13 E 111000000 12/06/05

8730090720

\*>1111310346<\*>  
064336052  
12/06/05

↓ Do not endorse or write below this line. ↓

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

FEB 17 2006

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

**Z Corporation Commission**  
**Director of Utilities**

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Alan R. Friedman, President
COMPANY NAME Los Cerros Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Alan R. Friedman  
SIGNATURE OF OWNER OR OFFICIAL

(520) 293 5500  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

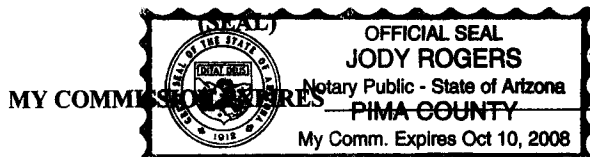
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1/4/06

DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>February</u> 20 <u>06</u>



Jody Rogers  
SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME** Los Cerros Water Co., Inc.

**YEAR ENDING 12/31/2005**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>141,041</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>141,041</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
**SIGNATURE**

2/14/06  
**DATE**

Alan R. Friedman  
**PRINTED NAME**

President  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

FEB 17 2006

**VERIFICATION**

**STATE OF** Arizona

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Alan R. Friedman, President</u>
COMPANY NAME	<u>Los Cerros Water Co., Inc.</u>

**Z Corporation Commission  
Director of Utilities**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 346264.00

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 17097.00  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

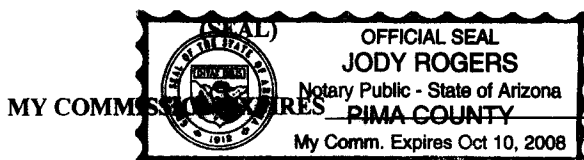
**THIS**

14th

**DAY OF**

Alan R. Friedman  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 293 5500  
TELEPHONE NUMBER

COUNTY NAME	<u>PIMA</u>
MONTH	<u>February</u>
	<u>2006</u>



Jody Carlson Rogers  
SIGNATURE OF NOTARY PUBLIC



VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

FEB 17 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Alan R. Friedman	TITLE President
COMPANY NAME Los Cerros Water Co., Inc.	

**Corporation Commissic  
Director of Utilities**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 311259.00

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 16646.00  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL  
(520) 293 5500  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

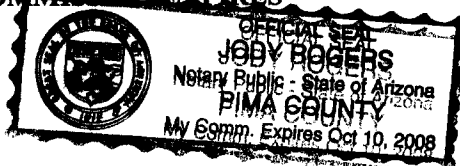
14th

DAY OF

NOTARY PUBLIC NAME Jody Rogers	
COUNTY NAME Pima	
MONTH February	2006

(SEAL)

MY COMMISSION EXPIRES



X Jody Rogers  
SIGNATURE OF NOTARY PUBLIC